ORIGINAL

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
TOM FORESE, CHAIRMAN
BOB BURNS
BOYD DUNN
DOUG LITTLE
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY FOR A HEARING TO DETERMINE THE FAIR VALUE OF THE UTILITY PROPERTY OF THE COMPANY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF RETURN THEREON, TO APPROVE RATE SCHEDULES DESIGNED TO DEVELOP SUCH RETURN.	DOCKET # E-01345A-16-0036 **POST-HEARING REBUTTAL BRIEF**
IN THE MATTER OF FUEL AND PURCHASED POWER PROCUREMENT AUDITS FOR ARIZONA PUBLIC SERVICE COMPANY	DOCKET # E-01345A-16-0123

Warren Woodward ("Woodward"), Intervenor in the above proceeding, hereby submits his Post-Hearing Rebuttal Brief.

Table of Contents

I. - INTRODUCTION

Since only Arizona Public Service Company ("APS") and the Arizona Corporation Commission ("ACC") Staff ("Staff') addressed some of the Settlement Agreement issues that pertain to "smart" meters, Woodward will be primarily confining his Post-Hearing Rebuttal Testimony to the statements of those parties.

First however, Woodward introduces Exhibit A. Exhibit A, like Exhibit A of Woodward's Post-Hearing Brief, renders all various "smart" meter issues moot save one, which is: *When does the safety recall start?*

Exhibit A is Part II of Woodward's groundbreaking video, *EKG Proof That "Smart" Meters Affect the Human Heart*. Part II is a longer, more comprehensive version of Part I with more testing and with two test subjects. Part II shows the results of Part I are repeatable, and that those results are conclusive. "Smart" meters are a public health hazard.

Woodward will discuss the flaws and blatant dishonesty of APS's and Staff's Post-Hearing Briefs in this Rebuttal Brief, but ultimately, because "smart" meters affect the human heart, the sections of APS's and Staff's Briefs that discuss "smart" meters are now irrelevant because all "smart" meters must be removed at once for being a public health hazard.

II. DISCUSSION

II.A APS's "smart" meter claims are unsubstantiated and untrue. APS has not met its

burden of proof. APS has violated previous Settlements and Decisions with impunity.

APS seems to be operating on the theory that if lies are told repeatedly then they'll become the truth. And when APS isn't lying, APS is making conclusory allegations.

APS often footnotes to its witness, Scott Bordenkircher ("Bordenkircher"). That is like having no footnote at all since Bordenkircher's statements are not substantiated. So basically we get an empty platitude footnoted to a conclusory allegation. To wit:

> APS's standard meter is an AMI meter. AMI technology is a foundational component of a modern electrical grid and critical for the Company to continue providing safe and reliable service while meeting our customer's changing needs.
> (APS Post-Hearing Brief 43:16-18)

The footnote of that statement directs to Bordenkircher's Settlement Rebuttal Testimony which essentially says the same thing, but with a little more detail, detail that Woodward debunked already via Exhibit B of Woodward 6.

Similarly, APS's Post-Hearing Brief § IV.A, a hymn of praise to the APS "smart" grid entitled "AMI is a critical building block for a modernized electric grid," is also debunked by Exhibit B of Woodward 6, which is the testimony of Northeast Utilities. Northeast Utilities' testimony proves that AMI is *not* the "critical building block for a modernized electric grid" that APS claims it to be. As Northeast summarized, "*An Advance Metering System is not a "basic technology platform" for grid modernization and is not needed to realize "all of the benefits of grid modernization."* (Woodward 6, Exhibit B, page 4, italics in original)

APS stated:

> AMI technology also provides benefits to APS customers and is more than simply a way to measure electricity usage.
> (APS Post-Hearing Brief 43:19-20)

The footnote of that statement directs to a number of claims Bordenkircher made in his Settlement Rebuttal Testimony that have been proved unsubstantiated by Woodward at §§ IV.A and IV.B of his Post-Hearing Brief. Similarly, and circularly, APS then stated all those alleged "benefits" individually that were mentioned at Bordenkircher's Settlement Rebuttal Testimony again at § IV.B of the APS Post-Hearing Brief, then APS footnoted some of those individually listed benefits back to Bordenkirsher's Settlement Rebuttal Testimony again. Nowhere in this loop do Bordenkircher's claims get substantiated, but Woodward supposes that if no one is checking footnotes then it all looks very impressive and believable. Some footnotes also went to Bordenkircher's hearing testimony but, like his written testimony, none of it is substantiated. APS's claimed benefits such as day-old customer usage data being available online, customer alerts, lowered operational costs which then lead to lower rates (what lower rates?), voltage control and meter tampering detection have all been debunked by Woodward at §§ IV.A and IV.B of his Post-Hearing Brief. To meet its burden of proof (per A.R.S. § 40-250), APS needs to do more than circularly quote and cite its conclusory allegations. Lies repeated do not equal truth, no matter how often they are repeated.

APS's list of claimed benefits also included reduced carbon emissions which,

according to APS, "benefits all customers" (APS Post-Hearing Brief 46:6). Despite the fact that not all APS customers see carbon emissions as a problem, APS's carbon claim is, as usual, unsubstantiated. APS may have fewer truck rolls as a result of "smart" meters, but at the same time APS now has heaps more data to store. Indeed, APS has so much data now, that APS is building a $120 million Customer Information System around that data to, according to APS witness Barbara Lockwood, "better take advantage of AMI data" (APS 1 at p. 9). Data storage uses vast amounts of electricity, much of which is generated by means that produces carbon. Additionally, data storage facilities use vast quantities of water, something that definitely does not 'benefit all customers,' especially in Arizona. Until APS provides a comparison of its carbon emissions and resource use before and after "smart" meter installation, a comparison performed by an independent third party, APS is just blowing smoke.

While Woodward has already debunked APS's unsubstantiated claim that day old data and alerts benefit customers, Woodward will add that a study of such "benefits" has just been released April 28, 2017. Applied Energy Group prepared a study for PG&E in California that analyzed the results of 598,524 customers using similar "benefits." The study found that the average annual savings per customer was 15.4 kWh, or 1.28 kWh per month – almost nothing. 1.28 kWh per month is well within the margin of statistical error and hardly worth the vast amount of money spent on the "smart" grid. The 55 page study, *Pacific Gas & Electric Company's "SmartMeter" Enable Programs: Program*

Year 2016 Evaluation of Customer Web Presentment and Bill Forecast Alert, is here: http://emfsafetynetwork.org/wp-content/uploads/2017/05/PGE_PY2016_SmartMeter_Evaluation_FinalReport_27apr2017_CPUC.pdf .

At § V of APS's Post-Hearing Brief, entitled *Arguments against the AMI proposal should be rejected*, APS started off with a blatant falsehood and went downhill from there. Footnoting to Woodward's Settlement Direct Testimony as supposed evidence, APS claimed that Woodward's arguments "fundamentally concern AMI itself, not the opt-out program" (APS Post-Hearing Brief 46:11). Woodward wonders if the APS lawyers who wrote the Post-Hearing Brief actually read Woodward's Settlement Direct Testimony because Woodward presented pages and pages of substantiated arguments as to why the fees proposed in the so-called "program" are unwarranted.

Attempting to justify their "smart" meters, APS stated:

> APS decided to move to AMI meters as the standard meter offering more than a decade ago, during which the ACC has found the Company's investments to be reasonable and prudent in at least two previous cases. (APS Post-Hearing Brief 46:11-14)

APS then footnoted to ACC Decisions # 73183 (May 24, 2012) and # 71448 (Dec. 30, 2009). But at no place in those Decisions are APS's "smart" meter investments deemed "reasonable and prudent."

APS misrepresented ACC Decision # 71448. Regarding "smart" meters, all that 2009 Decision stated was:

> The Commission is aware that a portion of the funds being recovered pursuant to this Settlement Agreement are designed to pay for the Company's development of smart metering technology, or Advanced Metering Information systems ("AMI"). We believe that smart meters have the potential to greatly advance the way utilities deliver electricity to their customers, and could assist consumers in making sound economical choices about the use of electricity, assisting them in reducing their bills and allowing utilities to reduce the need for incremental new generation. However, we do believe that customers, who are paying for the deployment of smart meters, should be accorded the greatest possible benefit of them, which requires that they be able to read the meters inside their homes and that they be given access to information regarding the utility's real time cost of generation as well as the utility's peak times for generating renewable energy. We are aware that such real-time electricity cost and renewable energy production information is being provided to consumers by other utilities and entities, including Indianapolis Power 8; Light, PJM, Ameren, and N-Star. Therefore, we will require that APS develop a plan and proposed residential demand response tariff, which incorporates elements of established residential demand response programs at other utilities, for providing real-time information to all customers who have or will receive smart meters, including a plan for deploying in-home metering devices and providing transparent information regarding consumers' real-time cost of electricity and the Company's real-time renewable energy generation, for Commission consideration.
> (ACC Decision # 71448, FoF 92, p. 58)

APS never met the requirements specified in that Decision, and "smart" meters never lived up to the potential mentioned in the Finding of Fact.

APS misrepresented ACC Decision # 73183. Regarding "smart" meters, all that 2012 Decision stated was:

> ... APS shall file a study in its next rate case to support costs of various charges in Service Schedule 1, taking into account the impact Smart Grid technology may have on the costs....
> (ACC Decision # 73183 16:22-23)

and

> Customers must have interval metering, Advanced Metering Infrastructure, or an alternative in place at all times of service under this schedule. (ACC Decision # 73183, Attachment J, EXPERIMENTAL RATE RIDER SCHEDULE AG-1, p. 1 of 5)

Woodward never saw any such study required by Decision # 73183 filed in this rate case. As well, Woodward finds the requirement for "interval metering, Advanced Metering Infrastructure, or an alternative" as a condition of service under the Experiential Rate Rider Schedule AG-1 at odds with APS's statement that "APS decided to move to AMI meters as the standard meter offering more than a decade ago." More than a decade ago would be prior to 2007. It makes no sense, then, that APS would even bother to mention AMI as a requirement of service five years later in 2012 – unless of course APS was not telling the truth about deciding "to move to AMI meters as the standard meter offering more than a decade ago." Indeed, it is not likely APS has been telling the truth because the only ACC Decision worth citing regarding the "smart" meter legitimacy that APS seems to be seeking is ACC Decision # 69736, a 2007 decision that made "smart" meters voluntary, not mandatory, and not a "standard meter" (see Woodward 6 § III.C). Additionally, Woodward finds it noteworthy that APS appears to be no longer relying on ACC Decision # 68112 as its rationale for installing "smart" meters en masse after Woodward debunked that argument at page 35 of Woodward 1. Overall, if APS has not complied with prior Settlement Agreements and Decisions, and no one holds APS to account, what's the value in this Settlement Agreement?

Showing its unbridled arrogance, APS stated:

> The Company did not propose removing or making any bulk changes to its AMI system in this case, and no party has offered sufficient evidence to evaluate the cost or consequences of doing so.
> (APS Post-Hearing Brief 46:14-16)

When it comes to "smart" meters in this rate case, what APS "did not propose" is irrelevant according to ACC Decision # 75047. APS does not get to set the terms of debate or change the terms of ACC Decision # 75047 which put *all* "smart" meter related issues into this rate case for consideration. Also, APS is quite incorrect that "no party has offered sufficient evidence to evaluate the cost or consequences" of "removing or making any bulk changes to its AMI system." Woodward has provided ample evidence at Woodward 1, Woodward 6, in his Post-Hearing Brief, and now in this Brief that APS's "smart" grid is grossly inefficient and unaffordable, a violation of human rights, and that the cost of keeping it, especially as regards public health, is so great as to be immeasurable such that the only solution is its abolition.

II.B <u>APS's privacy & cybersecurity argument is fallacious.</u>

At § V.A of APS's Post-Hearing Brief, APS attempted once again to shift the debate from whether a "smart" meter is a surveillance device to whether APS keeps "customer information" (whatever that might mean) confidential.

APS stated, "Moreover, no party offered evidence that customer information had actually been compromised." (47:9-10) That is not the issue. The issue is that "smart" meters are proven surveillance devices, and no one should have to trust that APS (or a

third party) will not use them as that, especially after APS was dishonest at the hearing regarding the capabilities of its "smart" meters (see § II.D of Woodward's Post hearing Brief). No one should have to pay a fee to not have a surveillance device on their home.

APS's Post-Hearing Brief assurances of cybersecurity are basically a rehash of APS witness Scott Bordenkircher's conclusory allegations and failed arguments presented at APS 10. Woodward dispatched those previously at § II.E of his Post-Hearing Brief.

II.C APS stuck to its dishonest "smart" meter fire story.

It is amazing that, in its Post-Hearing Brief, APS still stuck to the dishonest "smart" meter fire story that its witness Bordenkircher told at the hearing. As Woodward detailed at § II.F in his Post-Hearing Brief, Bordenkircher maintained there have been *no* alleged "smart" meter fires in APS's service territory in which the meter was the cause. Bordenkircher maintained his position even when confronted with the fact that one such fire is still under litigation, in other words the cause has not yet been legally determined. That was a fact that Bordenkircher knew going into the hearing since it was Bordenkircher who provided the information about the court case via a data request in the first place, some months previous (at Woodward 3-3). Bordenkircher, and now APS's Post-Hearing Brief, do not reflect well on APS's ethics. In short, APS has shown it simply cannot be trusted to tell the truth.

Additionally, neither Bordenkircher nor the APS lawyers who wrote the Post-

Hearing Brief, are experts of the caliber of Woodward's witness, forensic electrical engineer Erik Anderson ("Anderson"). When Anderson says that for customers who want to minimize their risk of a house fire, refusing a "smart" meter "would be something to consider," (Tr. at 785:14-15) Woodward will believe Anderson and not the mendacious APS.

II.D "Smart" meters are a proven health hazard but APS is in denial and ignorance.

APS's argument that "Mr. Woodward's own witnesses shatter any supposed causal link between AMI and health concerns" (APS Post-Hearing Brief at 48:19-21) is specious. Commenting on Woodward's witness Erik Anderson's hearing testimony, APS stated:

> He further testified that any electronic device with a switch mode power supply can cause noise similar to an AMI meter. This admission concedes that devices other than AMI may be to blame for any alleged noise. Thus, any allegations regarding noise or dirty electricity may be properly disregarded.
> (APS Post-Hearing Brief at 48:9-13)

The problem with APS's argument is that in the test Anderson performed, *there were no other devices* connected to the test circuit. So Anderson's admission that other devices with switch mode power supplies can cause noise has no bearing on his test results which was that the "smart" meter doubled the dirty electricity. And the noise was not "alleged" as APS suggested. It was real; Anderson proved it.

Of course there can be other sources of dirty electricity in a home, and so of course both of Woodward's witnesses, Erik Anderson and Dr. Sam Milham, answered

truthfully when asked, and they named various devices and gadgets that are sources. However that hardly "shatters any supposed causal link between AMI and health concerns" as APS asserted because those sources, unlike the "smart" meter, cause only temporary or intermittent exposure, and again, unlike the "smart" meter, most of those sources can be avoided altogether. As well, the "smart" meter is at the gateway of electricity to the building or home. So the "smart" meter is polluting the electricity for the entire building or home, 24/7/365.

It is not surprising that APS got its Post-Hearing Brief § V.C so wrong. APS witness Bordenkircher, who holds the grand and important sounding title of *Director of Transmission and Distribution Technology Innovation and Integration*, did not even know what harmonics and transients are (Tr. at 662 & 663:23-2). Nor did Bordenkircher know what conducted emissions are (Tr. at 743:21-22). Nor did Bordenkircher have basic knowledge of the workings of a "smart" meter (Tr. at 671, 740-742) Nor was Bordenkircher able to duplicate Anderson's test or to answer basic questions about the test APS allegedly performed (Tr. at 754, 755).

APS stated: "Additionally, the radio frequency (RF) utilized by AMI is regulated by the Federal Communications Commission (FCC)." (APS Post-Hearing Brief at 48:22-23) Actually the RF in the 2 to 100 kilohertz range, that Woodward's witness Milham testified is biologically active and a public health hazard, is *not* regulated by the FCC.

APS stated: "Mr. Bordenkircher testified that "the FCC regulates the safety of transmitting devices, and our meters comply with those regulations." (APS Post-Hearing Brief at 48 & 49:23-1) Once again, Bordenkircher is incorrect. According to the FCC itself, "... there is no federally developed national standard for safe levels of exposure to radiofrequency (RF) energy..." (Woodward 6, p.28)

APS stated: "... the Commission has spent over three years performing an inquiry regarding the health, safety and functionality of advanced meters." (APS Post-Hearing Brief at 49:1-2) But the ACC's inquiry was inconclusive which is why, in ACC Decision # 75047, the ACC found that all "smart" meter issues, including health, were to have a "comprehensive review" in this case. In other words, as much as APS would like it to be, the "smart" meter health issue is not over yet. Actually, now that it has been proved that "smart" meters affect the human heart (Exhibit A), the "smart" meter health issue *is* over; it's just that neither APS nor the ACC has been able to come to grips with that fact.

In its Post-Hearing Brief, APS still relied on the fraudulent Arizona Department of Health Services ("ADHS") "smart" meter study. As Woodward proved in depth at both § II.B of his Post-Hearing Brief and at Woodward 15, APS's reliance on the ADHS study is misplaced to say the least.

II.E <u>APS's "smart" meter cost/benefit is unsubstantiated, and as usual, APS has not met its burden of proof.</u>

APS's Post-Hearing Brief § V.B is entitled "Benefits of APS's AMI meters far

outweigh the costs." Yet, as is APS's wont, none of the benefits or costs are quantified by category with a corresponding dollar amount. If the benefits *far* outweigh the costs, that should have been easy for APS to do. It should have been easy for APS to meet its burden of proof. However, instead of substantiating the assertion APS made in its section heading, APS attempted to debunk Woodward's argument (at Woodward 6 § III.D) that APS's "smart" grid costs way more than any savings it provides.

APS's argument rested on the fact that Woodward used a slide from a Pinnacle West shareholder presentation and not a cost/benefit study that APS provided Woodward in a data request. APS stated:

> ... Mr. Woodward acknowledged during the hearing that APS had provided a cost/benefit study on the Company's AMI metering in a data request that demonstrated a positive present value for AMI. Mr. Woodward chose not to use or cite this study, and did not attempt to rebut the various benefits and costs savings that result from installing AMI identified in that study. (APS Post-Hearing Brief at 49:14-18)

Actually APS provided Woodward with *two* cost/benefit studies but neither one was recent or based on actual real-life experience. They were simply studies – cost projections – from 2005 and 2008, well before APS's "smart" meter installations began in earnest. When Woodward was under cross examination by APS at the hearing, APS tried to make the same point, that Woodward had ignored APS's "smart" meter cost/benefit studies. Woodward unhesitatingly agreed, calling the studies "pie in the sky" and "projections" because they were not based on actualities (Tr. at pp. 974 & 975). Indeed, in APS's response to Woodward's data request 3.6 (Exhibit B), APS admitted,

"The fact that APS had at one time projected certain costs and benefits from AMI does not mean that APS can actually identify these specific costs after-the-fact ...." So of course Woodward "chose not to use or cite this study, and did not attempt to rebut the various benefits and costs savings that result from installing AMI identified in that study." Woodward sees no value in wasting time to rebut inaccurate projections from 12 and 9 years ago, especially when Woodward has the benefit of recent numbers that reflect actual experience.

APS complained that Woodward relied on a slide from a shareholder presentation that "addressed only one category of savings attributable to AMI, and did not purport to be a comprehensive conclusion on AMI's benefits" (APS Post-Hearing Brief at 49:12-14). 1) The slide (Woodward 10) has categories for "Benefits to customers" and "Benefits to APS." The items listed under each are the usual "smart" meter "benefits" APS always lists, so it is reasonable to assume the slide *did* "purport to be a comprehensive conclusion on AMI's benefits." As well, it is highly likely that APS would want to brag as much as possible to shareholders, leaving nothing out. In short, if APS had more to brag about on the slide, it is reasonable to assume APS would have. That APS had nothing more to brag about is borne out by APS witness Bordenkircher's hollow testimony in this case. Both in his written and oral testimony, Bordenkircher claimed operational savings and reduced energy theft and fraud as "smart" meter benefits. Yet Bordenkircher's claims went unsubstantiated both at APS 10 and on the

witness stand. On the witness stand, Bordenkircher had no idea what the operational savings were or what the savings were due to reduced energy theft and fraud; nor did Bordenkircher have any idea how much APS's revenue requirement increased in order to achieve the savings that he could not substantiate (see Woodward's Post-Hearing Brief, p. 31).

APS wrote:

> The fact is that APS's AMI meters provide a multitude of benefits to customers that far outweigh the investment. That Mr. Woodward selectively relied on a single figure that only included savings from avoided field orders to connect or disconnect meters undermines the credibility of Mr. Woodward's claims.
> (APS Post-Hearing Brief at 49:18-22)

Woodward finds it totally hypocritical of APS to fault him for relying on a single figure (the only one APS supplied) when APS provided *absolutely no figures* whatsoever to back its claim that its "smart" meters "provide a multitude of benefits to customers that far outweigh the investment." Clearly APS has forgotten it has the burden of proof in this rate case. Clearly APS needs more than the endless repetition of empty assertions, hollow pronouncements and conslusory allegations to prove its points.

It is worth noting that APS's response to Woodward data request 3.6 included an objection by APS that the information sought – the total revenue requirement for meter operations broken down by O&M expenses, depreciation, taxes and return on rate base that is included in test year 2015 – was deemed "irrelevant" by APS. Note also that Woodward's data request 3.7 (Exhibit C) that sought the same information as Woodward

data request 3.6 except for the year 2004, a year in which there were no "smart" meters, went unanswered and was also deemed "not relevant" by APS. Actually, if one is making a claim, as APS is, that there is a financial benefit to "smart" meters, then a before and after comparison of actualities is very relevant. If APS does not know the total revenue requirement before, then APS has nothing to which it can compare the total revenue requirement after, and so APS cannot know if "smart" meter benefits "far outweigh" costs as APS has claimed. In other words, APS has not met its burden of proof, and, in its arrogance, has actually considered the evidence to be irrelevant.

Something else worth noting at Woodward data request 3.6 is that the operating costs touted by APS as being reduced due to "smart" meters is but 24% of the total revenue requirement. Not only has APS not substantiated the operating cost reduction, but APS has remained silent on the other 76% of the revenue requirement. Because "smart" meters are so expensive, the other components of the total revenue requirement will never be offset by operating costs.

II.F APS's insistence that its proposal to charge fees for refusing a "smart" meter is not discrimination falls flat.

In a pitifully inadequate attempt to prove APS's proposal to charge fees to customers who refuse "smart" meters is not discriminatory, APS wrote in its Post-Hearing Brief:

> **E. The Agreement's opt-out proposal is not discriminatory.**
> Lastly, Messrs. Woodward and Gayer failed to substantiate their allegations

> that the opt-out proposal adopted in the Agreement discriminates against customers by requiring a fee to participate. When customers voluntarily decide to opt out of AMI, APS incurs more cost to provide the same level of service that APS provides to customers with AMI. Anecdotal commentary cannot overcome the weight of APS's careful investigation into its AMI-related costs.
> (APS Post-Hearing Brief at 50:1-7, emphasis in original)

At Woodward 6 § III.A, Woodward spent 9 pages (plus 3 exhibits) substantiating *in detail* why and how the Settlement Agreement proposal to charge fees to those customers who refuse "smart" meters is discriminatory. At the hearing, APS's responses to questions regarding that discrimination were specious, illogical and, as usual, unsubstantiated (see Woodward's Post-Hearing Brief pp. 20 – 29). The record shows it is APS who has offered mostly unsubstantiated pronouncements and conclusory allegations regarding "smart" meters throughout this proceeding, and APS's Post-Hearing Brief § E is typical of that. APS stated that "When customers voluntarily decide to opt out of AMI, APS incurs more cost to provide the same level of service that APS provides to customers with AMI." Yet APS has not tallied the cost of serving customers with AMI and, by the testimony of its witness, has no idea what that cost is.

> Woodward: What is the yearly cost to achieve those ["smart" meter related] savings?
> Bordenkircher: I don't know.
> (Tr. at 659:5-7)

As well, APS is relying on a fraudulent 20 year service life for its "smart" meters which skews any APS valuation of the cost of using "smart" meters (see Woodward 6 § III.D1 & Woodward's Post-Hearing Brief § IV.C). So for APS to accuse Woodward of

unsubstantiation is absolutely galling for its dishonesty.

APS's reference to "anecdotal commentary" seems to be some kind of put-down but is so non-specific as to be meaningless. In short, Woodward has no idea to what APS is referring and thus finds the APS remark bizarre, especially in light of the fact that it is APS that has pretended an anecdote is evidence. At the hearing, APS's witness Bordenkircher twice treated us to his homespun story of the Bordenkircher family discussing their day-old electricity usage data as proof that day old data posted at APS.com was a customer benefit, despite the fact that when asked, Bordenkircher had no idea how many other customers actually used the day old information (Tr. at 606:17-13, 655:7-11 & 656:6-9). Remarkably, in its Post-Hearing Brief, APS chose to repeat Bordenkircher's essentially meaningless anecdote as "evidence" that "AMI technology benefits APS customers in numerous ways." (APS Post-Hearing Brief, 45:4 & 12-16) That APS would obliquely and disparagingly refer to the "anecdotal commentary" of others is, then, nothing short of hypocritical.

APS's insistence (at page 50 of its Post-hearing Brief) that its discrimination against customers who refuse "smart" meters meets the qualification of A.R.S. § 40-334 that it be "reasonable" falls flat. First of all, APS simply ignored most of the reasons Woodward provided at Woodward 6 § III.A as to why and how APS's proposal was discriminatory. APS only managed to argue that discrimination against commercial and solar customers was reasonable. Because Woodward has already thrashed those APS

arguments in his Post-Hearing Brief (at §§ III.E & III.F), Woodward will only deal with a couple APS arguments he has not yet considered.

Regarding commercial customers, APS stated:

> It is also important to note that of the twelve settling parties that represent various commercial or industrial interests, none took issue with AMI opt-out eligibility during the hearing.
> (APS Post-Hearing Brief 51:4-7)

APS is being disingenuous. APS knows perfectly well that settling parties are participating in the rate case to represent their own very narrow and particular interests and nothing more. Indeed, that is one of the major flaws of the entire Settlement process. Parties are not there to evaluate and deliberate on all the many different issues present in a rate case (and most of them would not have that expertise anyway). Parties are there simply for what is often only one or two very circumscribed concerns.

Additionally, of the parties mentioned by APS, none represented the interests of small businesses, the owners of which are most often the ones who refuse "smart" meters. Here is APS's list of parties:

> The Agreement is broadly supported by 29 parties representing a universal range of interests, including Commission Staff, RUCO on behalf of residential customers, representatives of merchant generators, large commercial and industrial customers, public schools, federal agencies, limited income advocates, union workers, utility shareholders, retirees, environment and conservation advocates, and all five separate groups representing solar interests.
> (APS Post-Hearing Brief 4 & 5:22-4)

By APS's own admission then, no one represents small business in this rate case, and so

APS's claim that the Settlement Agreement is supported by "parties representing a universal range of interests" is just one more APS untruth. Another APS untruth told above is that RUCO represents residential customers. As Woodward proved at § V of his Post-Hearing brief, RUCO does *not* represent residential customers.

APS presented a similar bogus argument to support its discrimination against solar customers. APS stated:

> Lastly, although there are numerous parties representing solar interests in this case, no solar party voiced opposition to the AMI opt-out proposal nor advocated that it be available for DG customers at the hearing.
> (APS Post-Hearing Brief 52:5-7)

Of course those parties did not voice opposition. That's not the issue they were paid to represent!

APS stated:

> Importantly, AMI metering also provides timely energy usage and demand information to customers. This is especially important for customers that adopt distributed technologies, like rooftop solar, so that the customers have the best opportunity for bill savings.
> (APS Post-Hearing Brief 51:18-21)

That argument is preposterous, and reflects APS's overbearing arrogance. If solar customers wanted "timely energy usage and demand information" in order to have "the best opportunity for bill savings," then those customers can opt for a "smart" meter. Clearly solar customers who do not want a "smart" meter do not care what APS thinks is best for them.

II.G APS resorted to double-talk and dishonesty to defend the flawed Settlement

Agreement and its proposed rate design.

At Woodward 6 §§ III.E & III.F, throughout Woodward 7, at § VI of Woodward's Post-Hearing Brief, and in his hearing testimony Woodward has detailed the many flaws in the Settlement process and the rate design proposed in the Settlement Agreement. Woodward stands by those arguments but will not rehash them here. Woodward will, however, address some of the points made by APS regarding Settlement and rate design at § VI of APS's Post-Hearing Brief not previously covered by Woodward.

Evidently APS was so determined to promote the Settlement process as "fair" that APS resorted to the unfair – to dishonesty – in the very first sentence of Section VI. APS stated:

> Resolving this matter through settlement, rather than protracted litigation, avoids expending significant resources to achieve a suboptimal outcome. (APS Post-Hearing Brief 52:9-10)

That statement is footnoted thus: "Tr. 1265:9-11 (Abinah); *see also* Hendrix Settlement Direct Testimony at 2."

Tr. 1265:9-11 (Abinah) directs one to Elijah Abinah's hearing testimony where Mr. Abinah said:

> It's going to take time. It's going to take a lot of money, and by doing a settlement process, it has saved the Commission some time and some money by going the settlement route.

Note that Mr. Abinah said nothing about litigation achieving a "suboptimal outcome." Similarly, the Settlement Direct Testimony of Walmart witness, Chris Hendricks, to

which APS's footnoted, stated nothing about litigation achieving a "suboptimal outcome" (Hendrix Settlement Direct Testimony, p. 2).

APS does not know, cannot know, what kind of outcome a fully litigated rate case would have. So 1) APS speculated, and 2) APS was dishonest in trying to lend veracity to that speculation via a footnote that did not support the speculation.

If the Settlement Agreement is as wonderful and "in the public interest" as APS claims, APS should not have to resort to dishonesty to promote it. Here is another example of APS dishonesty in promoting the Settlement Agreement. APS stated:

> Even parties that did not sign the Agreement recognized that settlements can produce outcomes and provide benefits that could not be obtained through litigation.
> (APS Post-Hearing Brief, 7:9-11)

Because APS used the word, "parties," Woodward expected the statement's footnote to direct him to the statements of multiple parties in support of APS's assertion. Instead, the footnote directs to one party, *one!*

It is worth noting here that APS pulled the same dishonest trick when discussing rates in its Post-Hearing Brief. APS stated:

> Even non-settling parties who object to the 90-day provision, which is discussed in more detail in Part VIII, agree that the Settlement provides customers with a variety of rate options to choose from, including two-part rates.
> (APS Post-Hearing Brief 8 & 9:20-2)

Despite APS reference to "parties," once again the statement's footnote directs to just one party, not multiple parties. APS's chronic dishonesty in its Post-Hearing Brief does

not reflect well upon APS's credibility or ethics.

It is very doubtful that these repeated incidents of dishonesty are mistakes. It is probable they are deliberate deception because APS has shown that it *does* know how to cite multiple sources in one footnote (for example at footnote 83, page 14 of the APS Post-Hearing Brief).

Here is another example of APS dishonesty, this time a bit more subtle but dishonest nevertheless:

> These rate provisions are another example of how settlements provide the opportunity for parties to make concessions and compromise to produce positive results that would have been unlikely in a litigated case. Even SWEEP witness Schlegel recognized this point, stating, "I agree that it's a concession to, of APS to allow the two- part rate to exist, both for existing customers and for new customers after the 90-day waiting period, relative to their initial application."
> (APS Post-Hearing Brief 9:33-8)

Once again APS has speculated as to the outcome of a litigated case. APS really has no idea what the outcome of a litigated case would be, and SWEEP witness Schlegel ("Schlegel") did not 'recognize' what result was likely or unlikely as APS implied by using Schlegel's quote. Schlegel agreed a concession had been made. Schlegel did not agree that "positive results … would have been unlikely in a litigated case."

APS engaged in more dishonesty – this time in the form of double-talk – in its Post-Hearing Brief by stating, "The Agreement preserves customer choice," (8:5) then, on the very same page, by discussing how the R-Basic rate is *not* a choice for new customers for 90 days.

APS engaged in similar dishonest double-talk in its Post-Hearing Brief by discussing how the proposed rates provide "opportunities for customers to save" (7:14) and 'minimize their bills' (8:9). The reality of the Settlement Agreement is a 4.54 percent rate *increase*. An increase is an increase. It is *not* a savings or a minimized bill.

APS stated,

> The few parties who oppose discrete issues in the Settlement Agreement were provided the opportunity to fully and fairly present their concerns in written testimony and at the evidentiary hearing, obviating any potential concerns about the process.
> (APS Post-Hearing Brif 54:21-24)

While parties do have the ability to oppose discrete issues in that way, they nevertheless do so now at a disadvantage because they are now marginalized as a minority that has already lost. Also, a perception has been created as though their issues have already been considered and rejected by the majority when really there was no consideration at all. Indeed, the false notion that a fair consideration has occurred by an enlightened majority runs throughout the arguments of those parties in support of the Settlement Agreement. For a couple examples, one need only look to APS's previously cited arguments regarding its discrimination against commercial and solar customers who would like to refuse "smart" meters. To wit:

> It is also important to note that of the twelve settling parties that represent various commercial or industrial interests, none took issue with AMI opt-out eligibility during the hearing.
> (APS Post-Hearing Brief 51:4-7)

> Lastly, although there are numerous parties representing solar interests in

> this case, no solar party voiced opposition to the AMI opt-out proposal nor advocated that it be available for DG customers at the hearing. (APS Post-Hearing Brief 52:5-7)

Those who control the language control the debate, and so just the very name, "Settlement Agreement," places opponents at a disadvantage in the written testimony and evidentiary hearing that APS supposes 'obviate any potential concerns about the process.' "Settlement Agreement" sends the message that the case is settled, over and done with. "Settlement Agreement" implies that those not on board with it are just disgruntled types who will never be satisfied.

A flawed Settlement process cannot be cured by a subsequent evidentiary hearing, when the whole point of the hearing is not to vet APS's rate increase application and other issues but to vet the Settlement Agreement. A flawed Settlement process results in a flawed Settlement, period. Any hearing based on a Settlement Agreement will be tainted by the flaws and lack of evidence inherent in the Settlement, and it will be tainted by the reasons Woodward provided in the preceding paragraphs. A hearing can only result in a just outcome if the Settlement Agreement is set aside. All the talk by Settlement supporters of how expedient and monetarily efficient the Settlement process is is disgraceful. What they are really saying is that due process and justice is too expensive so we'll have a backroom deal instead. Dictatorships are more expedient too. If the Supporters were really and truly concerned about the cost of a litigated rate case then they would reduce their hourly rates, or better yet, work for free for betterment of

all as Woodward is doing. Woodward is sick to his guts hearing about the "public interest" from Intervenors seeking private gain and getting paid handsomely for same.

Referring to the Settlement Agreement, APS asserted that "Substantial evidence supported this compromise resolution." Woodward must have gone to different Settlement discussion meetings because the ones he went to were extremely short on evidence except for that which was provided by just a few Intervenors including Woodward who provided evidence repeatedly which was ignored repeatedly.

The following hearing exchange between Woodward and ACC Utilities Division director Elijah Abinah ("Abinah") speaks volumes. It shows how a hearing cannot fix a Settlement. It shows how Abinah was able to successfully hide behind feigned ignorance of what the word, "ignore," means and thus deny Woodward the opportunity to gather evidence regarding how flawed the Settlement actually was. Notice how the question was asked five times before the ACC lawyer objected to it as "argumentative." If the question was truly argumentative then the objection should have been made when the question was first asked. The only reason it was argumentative was because Abinah did not want to answer it! Woodward surmises that Abinah had Bill Clinton, who pretended not to know what "is" meant, as his witness coach (see https://www.youtube.com/watch?v=Yp3TQf2xDc8). And contrary to Judge Jibilian's ruling on the objection, the question was not speculative at all since the question was based entirely on a statement made by Abinah in his Direct Testimony in Support of Settlement. So it *was* in fact "a specific

question about an issue." The issue was Abinah's statement which evidently became "off limits" during the hearing.

> CROSS-EXAMINATION BY MR. WOODWARD:
> Q. In regard to the settlement discussions, at page 5, lines 7 and 8 of your testimony in support of the settlement agreement, you stated, "I must reemphasize that all parties had multiple opportunities to be heard and to have their issues fairly considered." If someone is heard but ignored, does that mean their issues are fairly considered?
> A. Can you repeat that question, Mr. Woodward?
> Q. In regard to the settlement discussions at page 5, lines 7 and 8 of your testimony in support of the settlement agreement, you stated, "I must reemphasize that all parties had multiple opportunities to be heard and to have their issues fairly considered." If someone is heard but ignored, does that mean their issues are fairly considered?
> A. Mr. Woodward, I don't understand the word "ignored."
> Q. Ignored means ignored. I mean do we need to get a dictionary here? [after a pause] I just asked you a question, and I was ignored. That's an example of being ignored. Just for an example.
> A. I was waiting for you to finish, Mr. Woodward. What I mean by ignored, I need to understand what was ignored. Is an individual or your issues are ignored?
> Q. Either one. If someone makes a statement and there's no follow-up in the discussion, does that mean that the issues that they raised are fairly considered?
> A. So Mr. Woodward, can you give me an example of the issues that you have on the table that were ignored?
> Q. That's not relevant. It could be any issue.
> A. I would like to answer your question, but I don't know what was ignored.
> Q. I think it's my turn to ask the questions here.
> A. I'm just asking for clarification, Mr. Woodward.
> Q. It's a very simple question. If someone is heard but ignored, does that mean that their issues are fairly considered? How about if I reword it this way? If someone is heard but ignored, does that mean that the issues that they raised are fairly considered?
> MS. SCOTT: Your Honor, that question is argumentative.
> ACALJ JIBILIAN: I agree. It also calls for speculation. If you have a specific question about an issue, please ask it.
> MR. WOODWARD: Well, then I think I would be violating the

confidentiality of the settlement agreement if I were to go into specific issues, but --
ACALJ JIBILIAN: If you have feelings in regard to the answer to that question, your brief would be the place to put them and to argue what your belief is in that regard.

II.H Staff's rationalizations of the Settlement Agreement are no better that APS's.

In Staff's Post-Hearing Brief, Staff's rationalizations of the Settlement Agreement were no better that APS's. Staff stated that "... the discussions were inclusive and transparent and all participants were given the opportunity to present their views" (7:20-21). As Woodward pointed out at both Woodward 6 & 7, the discussions were neither inclusive nor transparent, and 'presenting views' is meaningless if the views are completely ignored in the Settlement discussions as were mine and those of some other Intervenors. Additionally, 'presenting views' is not the same as presenting evidence. As such, the Settlement process is a farce, and an avoidance of the proper due process owed the public.

Both Staff and RUCO alleged that only one Intervenor objected to the Settlement process itself. Staff picked the Districts as that Intervenor (Staff's Post-Hearing Brief 26:14). RUCO picked ED8/McMullen (RUCO's Post-Hearing Brief 2:3-6). Perhaps Woodward did not make himself clear enough at Woodward 6 & 7 or in the discussions because Woodward totally objected to the Settlement process also, starting with the first Settlement discussion meeting. In RUCO's case, Woodward surmises that RUCO ignored Woodward's objection to the Settlement process as part of an overall policy to

simply ignore Woodward and the issues he brought forth altogether.

In Staff's Post-Hearing Brief, Staff stated that the Settlement Agreement "... is balanced and reasonable as demonstrated by the fact that 29 parties signed the Agreement and only 5 of the over 40 parties that intervened filed testimony in opposition to the Agreement" (8:12-15) That is the faux-democratic facade Woodward has discussed in previous filings (Woodward 6, p. 53, & Woodward 7, p. 10). The facade rests on the false assumptions that "the over 40 parties that intervened" 1) are equal in bargaining power, 2) represent more than their own narrow interest, in other words actually care about anything other than the issues for which they are paid to negotiate, or 3) have the knowledge to consider issues other than what they are paid to represent. As well, another false assumption inherent in Staff's misrepresentation of the Settlement process is that "the over 40 parties that intervened" are all equally distributed per issue or per special interest group. In other words, Woodward can easily imagine a different outcome to the Settlement if for example discrete anti-"smart" meter groups were founded in each town in APS's service territory and each group moved to intervene.

Staff stated:

> However, the diverse array of interests that signed onto the Agreement is testament to the fact that the process was fair, balanced, open and transparent.
> (Staff's Post-Hearing Brief 26:15-17)

That is a non-sequitur. Signing the Settlement does not mean the process was fair, open and transparent. Signing the Settlement means the signers got what they wanted, or

enough of what they wanted, in order to sign. As Woodward has stated repeatedly in the past, the Settlement is not in the public interest. The Settlement is in the interest of the parties that signed it.

II.I Like APS, Staff stooped to dishonesty to make Staff's points.

Testifying at the hearing, Woodward made the point that the ACC is a captured agency, captured by the industry it is supposed to regulate (Tr. at 984, 985). Baring that out, at § VI of his Post-Hearing Brief, Woodward documented the pro-APS bias of the head of the ACC's Utilities Division, Elijah Abinah. That bias is pervasive in Staff's Post-Hearing Brief – so pervasive that Staff, like APS, resorted to dishonesty in its attempt to prop up APS's failed "smart" meter system.

Twice Staff quoted Woodward out of context in a dishonest attempt to make a point antithetical to the point made by Woodward in the context of his quote. Quoting out of context once might be a mistake, *might*. Twice is deliberate fraud.

Staff stated:

> In light of the acknowledged foregone economies of scale, the $5 monthly charge adopted by the Agreement is a substantial discount from the real cost to maintain and serve ratepayers who want to use discontinued legacy metering infrastructure and is a benefit to those customers who choose to opt-out of AMI metering.
> (Staff's Post-Hearing Brief, 12 &13:24-3)

"Acknowledged foregone economies of scale" was footnoted to:

> Tr. at 960-61 (by Mr. Woodward: "Now I realize that to read the meters of just the 16 and a half thousand [ratepayers who opt out of AMI meters] APS no longer has the economy of scale it had reading 1.25 million.")

(Staff's Post-Hearing Brief , 13:26)

Here is the context from which Staff quoted. It has an entirely different meaning from that for which Staff used Woodward's quote.

> Getting back to the numbers I just presented regarding the smart meter setup here, here is something else to reflect that's worth your pondering. At Woodward-13 APS claims it cost about $3 million per year to manually read the meters of about 16 and a half thousand customers. But the operational savings from opting everyone else, all 1.25 million of them, into smart meters is only 4.7 million per year. Now, I realize that to read the meters of just the 16 and a half thousand APS no longer has the economy of scale it had reading 1.25 million. But are we really supposed to believe that for just 1.75 million more than what it cost to read the meters of 16 and a half thousand customers, APS can read the meters of well over a million customers? It doesn't make sense. And so I strongly suggest that APS's $3 million cost to read 16 and a half thousand meters is not valid.
> (Tr. at 960-961:17-8)

Staff pulled the same dishonest stunt later in its Brief. To wit:

> As acknowledged by Mr. Woodward, among the more obvious consequences of retaining a non-AMI meter is that serving the approximately 16,500 customers on non-standard metering foregoes economies of scale when performing meter reads.
> (Staff's Post-Hearing Brief 25:4-7, and footnoted to "Tr. at 960-61 (Woodward)")

Actually what Mr. Woodward acknowledged was that a careful examination of APS's inputs (of the sort Staff never performed) would probably reveal that, *despite the lack of the economy of scale that APS used to have reading meters*, its proposed $15 dollar fee was still a rip-off.

Staff does not have much of an argument if this is the level to which Staff must stoop in order to make Staff's points. Woodward is disgusted that a government agency

that is supposed to be objective in its evaluations would stoop to such a deceitful low as to take his words out of context.

II.J Staff has not complied with ACC Decision # 75047.

ACC Decision # 75047 expressed that the ACC's "... consideration of this ["smart" meter] matter will be aided by the full spectrum of information that is included in a general rate case," and that "the various issues that may surround smart meters" "would benefit from the type of comprehensive review that is conducted in a general rate case" (75047 FoF 19, 16 & 17). "The various issues that may surround smart meters" were listed in the Decision as "allegations that smart meters adversely affect human health, that smart meters intrude upon individual privacy interests, that the costs of smart meter deployment do not outweigh the benefits, and that APS's proposed opt-out tariff rate is unreasonable" (FoF 6). Yet the record of this rate case shows that there are many "smart" meter related issues that Staff simply ignored, just as Staff has done repeatedly for the last 6 years. Staff has ignored the various forms of discrimination inherent in charging a fee to customers who refuse "smart" meters. Staff has ignored the various forms of extortion inherent in charging a fee to customers who refuse "smart" meters. Staff has ignored the fact that charging a fee to customers who refuse "smart" meters is in violation of ACC Decision # 69736. And as pointed out previously at page 38, § IV.C, of Woodward's Post-Hearing Brief, Staff has not shown that "the costs of smart meter deployment do not outweigh the benefits."

II.K Staff's analysis of "smart" meter issues was incomplete, superficial and with a pro-APS bias.

Of those few "smart" meter issues Staff *did* address, Staff did so superficially and with an obvious pro-APS bias. For example, quoting or footnoting to Bordenkircher as "proof" is a deceptive, wasted effort since, as shown throughout this Brief and Woodward's Post-Hearing Brief, so little of anything Bordenkircher testified to is substantiated by him, and some of his testimony is downright untruthful. That, coupled with his display of gross subject matter ignorance on the witness stand, proved Bordenkircher is not a credible witness.

Staff's pro-APS bias and lack of due diligence is evident in this uncritical repetition by Staff of Bordenkircher's "smart" meter propaganda:

> As noted by Company witness Bordenkircher, there are various benefits from the broad conversion to AMI metering including providing ratepayers with detailed usage data, as well as indirect benefits such as lowering APS's operating costs related to meter reads, customer move-in/move-out, and meter rate changes which can now be performed remotely. The Company likewise realizes benefits with AMI metering since it allows the Company to provide ratepayers with proper voltage and the ability to observe attempts at meter tampering.
> (Staff's Post-Hearing Brief 24 & 25:22-3)

But Bordenkircher was unable to substantiate those so-called benefits either at APS 10 or in his hearing testimony. That's what makes his assertions propaganda. All this is discussed in detail at Woodward's Post-Hearing Brief §§ IV.A & IV.B, as well as at Woodward 6, p. 43. That Staff took Bordenkircher's unsubstantiated claims at face value

shows a total lack of due diligence and a pro-APS bias.

Staff did similar at page 13 of Staff's Post-Hearing Brief by uncritically and dutifully repeating that: "APS witness Lockwood testified that in essence, two-thirds of the cost to provide that [manual meter reading] service is being subsidized by other ratepayers." And of course Staff witness Smith unabashedly repeated APS propaganda in several places at Staff 6, pp.59 & 60.

Staff stated:

> In light of the long-term maintenance burdens that flow from supporting legacy infrastructure like analog meters, the Agreement's incorporation of a $50 change out fee to replace an AMI meter with an analog meter and a modest $5 monthly meter reading fee is appropriate.
> (Staff's Post-Hearing Brief at 25:11-14)

The above statement is nonsense unsupported by the reality that analog meters cost way less than either digital or "smart" meters, last 6 times longer, and that many in service that APS wants to get rid of immediately have plenty of service life remaining. The number of APS "smart" meters needing to be changed out every year is the real "long-term [and short-term!] maintenance burden."

Staff stated:

> There was also an issue raised by Mr. Woodward regarding the change-out of AMI meters before the end of their service lives and the appropriate depreciation rate for the meter account. APS witness Bordenkircher testified that a large number of meters were changed out due to a manufacturing defect." Mr. Bordenkircher testified that approximately 140,000 of its initially deployed meters were replaced due to the change of cellular technology being supported by the AT&T Wireless network. He also testified because of this APS took steps to ensure that the vendor bore the

> responsibility of the cost of those trade-outs.
> (Staff Post-Hearing Brief at 25:15-21)

First of all, and using Bordenkircher's own responses to Woodward's data requests, Woodward already proved at § IV.B of his Post-Hearing Brief that Bordenkircher was not truthful in stating unequivocally that the vendor bore the cost of the meter trade-outs. The vendor did *not* bare all the costs. It is another disgraceful example of Staff's pro-APS bias that Staff accepted Bordenkircher's untruth as fact, and uncritically repeated it as fact, since Staff had access to Woodward's data requests, and Staff should have done due diligence regarding *all* the failed meters, not just some of the failed meters. Indeed, had Staff been acting impartially, then Staff would have asked APS the data request questions that Woodward asked. It should not be up to a private citizen to do the work Staff should have done all along.

Also, Staff has presented an oversimplified story of APS's history of replacing "smart" meters well in advance of the fraudulent 20 year service life being proposed in the Settlement Agreement. Yes, 140,000 meters were replaced prematurely due to obsolescence. But there were also thousands of other "smart" meters replaced (and continuing to be replaced) that Staff has glossed over as if those simply do not exist. As Woodward noted at § III.D.1 of Woodward 6 (pp. 42 & 43), 49,788 APS "smart" meters were replaced in 2014 alone due to a variety of issues including circuit board soldering, blank LCD screens, non-communicating modules, voltage errors, and memory errors. APS is also losing roughly 20,000 "smart" meters per year – with no end in sight – due

to communication failure. In short, Staff has demonstrated more pro-APS bias by misrepresenting APS's failed (and failing) "smart" meters. There is no 100% reimbursement, and APS's failed "smart" meters are not a problem that was the result of a single identified manufacturing defect that's been solved as Staff's misrepresentation implied. 20,000 "smart" meters failing per year is *ongoing* with no end in sight. Bordenkircher himself admitted both at Gayer 15 and on the witness stand (Tr. at 764) that "smart" meter failure was ongoing. Moreover, Bordenkircher's admissions concerning "smart" meter failure prove Woodward's point regarding the accounting fraud inherent in the 20 year "smart" meter service life that Staff attempted to defend in the passage quoted above.

Staff stated:

> Staff witness Smith testified that for AMI meters, there is not the same type of lifecycle retirement history available for the entire deployment of the AMI meters. Therefore, Mr. Smith's estimation of the useful life of the AMI meters had to look to other criteria. Mr. Smith stated that he looked at all the data that had been presented in the current case and the fact that APS had some premature retirements on its earlier deployments, what other electric companies are using as a useful life, and the information provided by Mr. Woodward. But because there wasn't full mortality data available for the AMI deployments for any utility, and after considering all the available data, Mr. Smith used his informed judgment to come to the 20 years useful life.
> (Staff's Post-Hearing Brief 26:4-11)

Staff's reliance on Staff's witness Ralph Smith is misplaced. Smith is not a credible witness; Woodward proved that at § IV.C (pp. 33- 38) of his Post-Hearing Brief. Basically what really happened was that Staff did *not* do due diligence regarding the

service life of APS "smart" meters, and Staff just rubber-stamped APS's fraudulent 20 year service life proposal.

Staff was not truthful by saying that "Mr. Smith used his informed judgment to come to the 20 years useful life." Actually it was APS witness Ron White who came up with the unsubstantiated 20 year life and Staff, in another example of Staff's pro-APS bias, just went with that despite the fact that, as Woodward pointed out at § III.D.1 (pp. 43 – 46) of Woodward 6, White's 20 year life was based on nothing and Staff knew that. This is borne out by Smith's hearing testimony:

> Because there isn't full mortality data available for the AMI deployments for any utility in the United States, **we had to use informed judgment. And Dr. White recommended the 20-year life.**
> (Tr. at 1015:16-19, emphasis added)

If Staff's story that Smith used *his* informed judgment was true, then Smith would have testified, 'I had to use informed judgment and so recommended the 20-year life.' But that is not what Smith said.

III Conclusion

For all the reasons above and in Woodward's previous filings in this rate case, any customer should be able to refuse a "smart" meter, and there must be no extra fees of any kind for customers, whether residential, solar or commercial, who refuse "smart" meters. Indeed, *all* "smart" meters must be removed at once for being a public health hazard.

For all the reasons above and in Woodward's previous filings in this rate case, the

Settlement Agreement is fatally flawed and a reflection of Staff's pro-APS bias. It should be abandoned in its entirety for not being in the public's interest.

RESPECTFULLY SUBMITTED this 1st day of June, 2017.

By

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Original and 13 copies of the foregoing hand delivered on this 1st day of June, 2017 to:

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Docket Control
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Phoenix, Arizona 85007

Copies of the foregoing mailed/emailed this 1st day of June, 2017 to:

Docket Service List

EXHIBIT A

Readers of this Brief's electronic copy will have to use this link:
https://youtu.be/UIobFr3m8kk
or
search YouTube for *EKG Proof That "Smart" Meters Affect the Human Heart, Part II*

EXHIBIT B

WARREN WOODWARD'S
THIRD SET OF DATA REQUESTS TO
ARIZONA PUBLIC SERVICE COMPANY REGARDING
THE APPLICATION TO APPROVE RATE SCHEDULES DESIGNED TO
DEVELOP A JUST AND REASONABLE RATE OF RETURN
DOCKET NO. E-01345A-16-0036
AND
DOCKET NO. E-01345A-16-0123
MARCH 7, 2017

Woodward 3.6: What is the total revenue requirement for meter operations broken down by O&M expenses, depreciation, taxes and return on rate base that is included in test year 2015?

Response: APS objects to this question as unduly burdensome and seeking irrelevant information.

Notwithstanding the above objection, please see APS's supplemental response to Woodward 2.35. The requested breakout of the related partial revenue requirement for AMI is as follows for Test Year 2015 (dollars in millions):

Return on Rate Base	$ 19
Operating Costs *	$ 13
Depreciation	$ 10
Taxes	$ 13
Revenue Requirement	$ 55

* APS is not able to specifically provide all O&M expenses for AMI meters because APS does not track O&M expenses at a meter specific level; thus as discussed in supplemental response to Woodward 2.35. The fact that APS had at one time projected certain costs and benefits from AMI does not mean that APS can actually identify these specific costs after-the-fact for the reasons set forth in the Company's original opposition to Mr. Woodward's Second Motion to Compel.

See also APS's AMI Opt Out Workpapers in Docket No. E-01345A-13-0069.

EXHIBIT C

WARREN WOODWARD'S
THIRD SET OF DATA REQUESTS TO
ARIZONA PUBLIC SERVICE COMPANY REGARDING
THE APPLICATION TO APPROVE RATE SCHEDULES DESIGNED TO
DEVELOP A JUST AND REASONABLE RATE OF RETURN
DOCKET NO. E-01345A-16-0036
AND
DOCKET NO. E-01345A-16-0123
MARCH 7, 2017

Woodward 3.7: Provide the comparable revenue requirement data for 2004 as requested in 3.6 above.

Response: APS objects to this request as unduly burdensome because APS does not readily possess the information requested. It is stored on an archived accounting system and to provide it would require extensive manual work.

APS also objects that this request seeks information that is not relevant to these proceedings.

Witness: Elizabeth Blankenship